Defensive Publication - Youth Capital Accounts (YCA)

Author: James "Jimmy" Knight

Date: 6 February 2026

Status: Public disclosure to establish prior art.

Abstract

This document discloses a complete government-seeded custodial investment and financial literacy system for minors and participating adults. The system integrates myGov/myID identity binding, dedicated CHESS HINs, tiered parental freeze controls with abuse prevention, exploit-resistant mandatory onboarding, a one-off adult participation window, and a certification mark for compliant operators.

Key Features

1. Account Structure

Dedicated CHESS HIN per participant

Participant-only trade authority (guardian cannot trade or withdraw)

Client-money trust accounts under Part 7.8 Corporations Act

Independent AFSL custodian

2. Parental Freeze Mechanism (minors only):

The freeze system is intentionally sparse and tiered to serve as a structured teaching tool for consequence, risk management, and long-term decision-making, not as a parental leash. Freezes are rate-limited so they remain rare, memorable, and educational:

Tier-0 Cool-off (24h instant): Max 2 per half-year per child. Used for impulse or obvious poor decisions. Acts as a deliberate "teachable moment" to build awareness of immediate consequence.

Tier-1 Safeguard (72h): Max 2 per half-year per child. Requires short justification + micro-module completed by both guardian and child. Intended for suspected coercion, scams, bandwagon behaviour, or pressure. Legitimate cases may be raised and discussed in monthly/weekly school collaboration sessions.

Tier-2 Protective Hold (7-14d): Evidence-based only (e.g. pump-and-dump schemes, shell companies, fraud flags, grooming). Requires statutory-style declaration + independent reviewer (custodian/ombuds) approval within 48h. Serious cases may trigger school escalation or referral to authorities.

Abuse of any tier triggers automatic 90-day suspension of freeze privileges.

© James Knight 2026

3. Onboarding & Education

Intentional paced onboarding with anti-skip mechanics, micro-quizzes, consequence logs, and background security tasks to ensure genuine engagement.

Core curriculum covers: market fundamentals (what markets are, trends, operations, functions, companies, liquidity), how investment works, volatility and its real-world implications, delayed gratification, risk sizing, and behavioural biases.

Monthly or weekly in-school collaboration sessions (integrated with the platform) where students raise concerns, share insights, discuss market events, and collaborate on analysis.

4. Incentives & Seeding

$1,000 universal at age 13 (13-17)

$500 launch sweetener (18-20)

One-off $250 for every Australian citizen or permanent resident who has held that status for at least two years, available in Year 1 only, conditional on completing full onboarding and core modules. Unclaimed funds revert to the program coffer / federal budget at end of Year 1.

Voluntary goodwill contributions accepted (no equity, no branding, no influence)

5. Governance

Optional "YCA-Compliant" certification mark (annual independent audit required)

Dedicated maintenance & support team budgeted at ≤ $80 million per annum

Claims of Novelty

The combination of myGov/myID-bound participant-only authority, tiered tokenised parental freeze with abuse penalties and independent review, exploit-resistant onboarding gating, hash-chained immutable audit log, and the one-off adult conditional seeding window.

IP Status

This disclosure is made to place the described system and its core technical mechanisms into the public domain as prior art. Copyright is asserted in the expression of this document.

© James Knight 2026